European Community Commentary

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Action since the October 1972 Summit

The 'Summit' meeting of the enlarged Community held in Paris on 19-20 October 1972 agreed a wide-ranging action programme with deadlines set in many cases at the end of 1973. The Copenhagen Summit last December reinforced Community aims.

Below we review progress in the sectors of trade and industry covered by the 1972 Summit. The sketches relate to: Regional Policy, Industrial Policy, Scientific and Technological Policy, Environment Policy, Social Action and Consumer Protection and various aspects of External Relations. Also included, as of particular interest to the UK, are notes on simplification of Community trade documentation.

Regional Policy

The Summit remit

The 1972 Summit agreed to give high priority to correcting structural and regional imbalances in the Community. In particular it was agreed that a Regional Development Fund, financed from Community resources, should be set up before the end of 1973.

Main events since the summit

Early last May the Commission published a major report analysing the enlarged Community's regional problems and in July it presented draft Regulations for the Fund to the Council of Ministers. It followed these up in October with proposals for areas to be eligible for assistance.

The Commission suggested there should be a Fund of 2,250 million units of account (about £1,000 million), distributed on a rising scale between 1974-76. The Fund would be used primarily to assist member countries' regional development efforts to encourage investments in industry, including service industry, and on infrastructure linked to industrial development. Qualifying areas in the UK would cover all Scotland, Wales and Northern Ireland plus all the Development Areas in England (except Furness) and a substantial part of the Intermediate Areas. These areas contain about 25 per cent of the population in the qualifying areas of the Community as a whole.

In the event the Council of Ministers failed to reach agreement by the end of 1973 or at its meetings on 7 and 30 January. Progress was made at the latter meeting in reducing the areas of disagreement. A further special Council meeting called for 18 February to consider how best the remaining differences might be overcome has been postponed.

Industrial and Technological Policy

The Summit remit

The Summit Communiqué included the aim 'to seek to establish a single industrial base for the Community as a whole', and called for 'a Programme of Action together with a precise timetable and appropriate measures' to be decided by 1 January 1974.

Main events since the Summit

In May 1973 the Commission sent a Memorandum on Industrial and Technological Policy to the Council. The Commission followed this up in October with a draft Industrial Policy Programme, which was adopted by the Council of Ministers in a Resolution dated 18 December 1973.

The Industrial Policy Programme sets out a programme of work for the next 3-4 years, with dates by which the Commission will seek decisions from the Council on specific draft Regulations and Directives related to the individual elements of industrial policy, as and when required. These can be summarised as follows:

Technical barriers to trade

The Commission are called upon to submit draft Directives at the rate and in the general pattern provided for in a series of Annexes setting out programmes until the end of 1976.

Draft Directive on public supply contracts

Action to be taken by 1 January 1975 on the draft Directive covering co-ordination of procedures for awarding contracts.

Removal of fiscal barriers to cross-frontier co-operation

Guideline dates for action on the draft Directive concerning parent companies and subsidiaries by 1 January 1975; and by 1 January 1976 for that covering mergers, split-ups and transfers of capital.

Company law

Examination of the European Company Statute and the fifth Directive to begin as soon as revised proposals taking account of the opinions of the European Parliament and the Economic and Social Committee are received. Action is to be taken on the second Directive by 1 January 1975, on the third Directive by 1 July 1975, and on the fourth Directive by 1 January 1976.

High-technology industries

Action on the Commission's proposals for setting up Joint Undertakings and Community Industrial Development Contracts is to be taken by 1 July 1974. Initial decisions are to be taken on the proposals on the Aviation Industry by 31 March 1974, and on Computers by 1 October 1974.

Restructuring of industrial sectors

Action to be taken on the Commission's proposals on shipbuilding by 1 July 1974. On the paper industry action to be taken, if possible, by nine months after receipt of the Commission's proposals.

Mergers

The Council will act on the Commission's proposals by 1 January 1975.

International enterprises

The Commission's proposals to be discussed by the Council before 1 May 1974.

Measures concerning exports; in particular, credit insurance

These appeared for the first time under the Industrial Policy umbrella. A timetable and a list of priorities to be drawn up laying down deadlines by which the Council should reach decisions on those proposals not adopted by 1 July 1974.

Action since the 1972 Summit continued

Raw-material supplies

Action to be taken as soon as possible on the proposals which the Commission undertakes to submit during the first half of 1974 on raw material supplies, in particular, non-ferrous metals.

Scientific and Technological Policy

The Summit remit

Section 7 of the Summit communiqué included a commitment to the development of a common policy in the field of science and technology, which would require the co-ordination of national policies and joint implementation of projects of Community interest. A programme of action, with a timetable, was to be decided by 1 January 1974.

Main events since the Summit

During the first half of 1973 Professor Dahrendorf, the EEC Commissioner for Research, Science and Education, mapped out the broad outlines of such a policy as he saw it, and then visited Member States to discuss his preliminary proposals with Ministers and officials. In the light of these discussions the Commission put forward its proposals, which provided a basis for discussions in a Council Working Group during the autumn, and subsequently in the Committee of Permanent Representatives, where agreement was finally reached on four Resolutions just before Christmas. The Summit remit was therefore achieved within the time set, although the Resolutions could not be formally passed by the Council of Ministers until their first meeting in the New Year.

The new Policy

The most important of the four Resolutions is the one which sets up a new Scientific and Technical Research Committee (Comité de la Recherche Scientifique et Technique: CREST for short) and gives it an outline programme of work for 1974-76. Supported by sub-committees as necessary, CREST will have two main tasks:

the co-ordination of national policies;
the implementation of joint projects of Community interest.

Previous attempts to co-ordinate policies in this field have had to work their way through a complicated structure of Commission and Council committees, but it is hoped that CREST – which is to occupy a central position in the Community's machinery, exercising its functions at the request of the Council or the Commission or on its own initiative, and serviced by the Council and the Commission jointly – will establish for itself a position of real influence in the progressive development of a Community science and technology policy. The Chairman is Dr. H. G. Schuster, Director-General for Research, Science and Education in the EEC Commission, and the UK team for the first meeting – due in February – will be led by Alan Cottrell, the Government's Chief Scientific Adviser.

The co-ordination of national policies is expected to start with the selection of priority sectors for the examination and comparison of the plans, programmes, projects and budgets of the nine Member States. It is hoped that this process will lead to the identification of areas of common interest, where it may be sensible to rationalise national efforts, and so achieve a better use of Community science and technology resources rather than an increase in them. This essentially voluntary, flexible, step-by-step approach seems to be the right way forward at the present stage of the Communities' development.

The identification of joint projects of Community interest is likely to be one of the consequences of co-ordinating national policies; and one of the other Resolutions establishes a framework for carrying them out. The framework has been kept deliberately flexible to allow for projects to be executed in whatever way may prove to be the most effective in each case. At one extreme a project can be funded by the Communities and carried out in their own Joint Research Centre; at the other extreme all the work may be done by research organisations in the Member States at their own expense, with the Commission merely acting as a co-ordinator. There is a wide range of possibilities in between, and each project will be considered on its merits.

Finally two short Resolutions provide for the establishment of links with the European Science Foundation – an organisation being set up by the Research Councils and equivalent bodies concerned with fundamental science in 15 European countries, including Member States of the European Communities – and authorise the Commission to carry out a one-year pilot study in futurology and technology assessment.

Future Community activity

Building on the statistical foundations already laid, further steps will be made under CREST towards co-ordinating national policies in the areas selected as priorities. CREST and its sub-committees will also be examining a wide range of more detailed Commission proposals for joint action, and putting proposals, where appropriate, to the Council for approval.

Commissioner Dahrendorf is due to leave the Commission in the autumn, when he takes up his appointment as Director of the London School of Economics. Unless his successor brings forward major new proposals of his own, the next milestone in Community science and technology policy will probably come in 1976-77, when the Commission expects to bring forward proposals for a second stage involving a much closer integration of national policies than seems likely to develop under the present regime over the years 1974 to 1976.

Environment Policy

The Summit remit

'The Heads of State and of Government emphasised the importance of a Community Environment Policy. To this end they invited the Community institutions to establish before 31 July 1973 a programme of action responsibilities incumbent on Europe.'

Main events since the Summit

The Community Environment Programme was agreed by Ministers on 19-20 July 1973, after considerable discussion in a Commission Working Group in which the UK played a substantial part. The Programme adopted falls broadly into two sections: 'Prevention of Pollution and Nuisances' – which contains proposals for studies that might lead to Community action over the next few years in a number of fields; and 'Action to Improve the Environment' – which contains proposals for a broad look at the environment in the widest sense, covering such matters as urban planning, living and working conditions and education. Work on this second section is expected to proceed on a fairly long timescale, and by general consensus it has been given lower priority than the first section, on which discussions to date have almost exclusively concentrated. The proposals in the first section which have received most attention are 'Criteria Studies' to establish dose/effect relationships for certain polluting substances – studies which might in due course lead to the setting of some environmental quality standards. For a small list of pollutants posing the most direct threat to human health, it is expected that the setting of standards will be considered by 31 December 1974, in some cases before the studies are completed. There are also proposals for product standards (to be included in the Technical Barriers to Trade Programme) and for 'Sectoral Studies' on certain industries with particular pollution problems, beginning with the pulp and paper and titanium-dioxide industries. Other matters to be covered include waste disposal and dissemination of information.

The Programme as adopted should enable useful progress to be made. It represents a sensible compromise between the views of certain countries who favoured a more regulatory approach with wide Community involvement and those of others who believed in far less regulatory measures and less activity by the Community in unison. The UK's attitude has been to support the programme in principle, while stressing that Community-wide environmental quality standards are justified only when the need for them can be scientifically demonstrated: in particular, United Kingdom representatives have pointed out that, in the light of varying conditions, certain standards are best decided at local level. These views are reflected in the Programme, which can be regarded as generally satisfactory to the UK, provided that a selective approach is taken to tackling the very wide range of work included.

Future Community activity

Community action in the near future will focus discussion, in a number of expert Working Groups, on detailed implementation

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of the Programme. A number of product standards with environmental significance will continue to be discussed in the context of technical barriers to trade. Progress will depend upon the outcome of the studies at Working Group level.

External Relations: GATT

The Summit remit

'The Community reaffirms its determination to encourage the development of international trade. This determination applies to all countries without exception. The Community is ready to participate as soon as possible, in the open-minded spirit that it has already shown, and according to the procedures laid down by the IMF and the GATT, in negotiations based on the principle of reciprocity. These should make it possible to establish, in the monetary and commercial fields, stable and balanced economic relations, in which the interests of the developing countries must be taken fully into account.'

Main events since the Summit

Multilateral trade negotiations

The Community was committed at the Summit to reaching an agreed 'overall approach' to the negotiations by 1 July 1973. Agreement was reached at the June meeting of the Council of Ministers, due partly to UK efforts, and the common approach allowed the Community to play a full part in the official opening of the negotiations in Tokyo in September.

Since then discussions have been taking place on the structure of sub-committees for the negotiations, and agreement has now been reached. The next step is for the Community to begin to draw up detailed negotiating mandates on the fields to be covered by the negotiations.

GATT Arrangement regarding trade in textiles

The new Arrangement covering textiles of cotton, wool and man-made fibres was concluded in Geneva on 20 December. The Arrangement, which took effect from 1 January and is to last for four years, provides for the disclosure of existing quantitative restrictions and their justification or elimination over a maximum period of three years. New unilateral restrictions may be introduced, under specified circumstances and procedures, in cases of market disruption or actual threat of disruption. Countries are free to make bilateral restraint agreements in place of unilateral measures and to eliminate real risks of disruption. An international Textile Surveillance Body, with a small but balanced membership, is to be set up to police the working of the Arrangement. It will have powers to initiate investigations and to deal with complaints; it will not have powers to issue binding directions to countries, and the final resolution of disputes will lie in the normal procedures of the GATT.

GATT Article XXIV(6)

Although not specifically mentioned in the 1972 Summit communiqué, a major part of the GATT activity in 1973 has been the negotiations under Article XXIV(6) for compensation due to third countries as a result of unbinding of UK tariffs items consequent upon adoption of the CCT and the CAP.

In January 1973 the Community made an initial offer to bind the tariff rates of the three acceding states at the level of the existing bindings of the Six. In December 1973, in response to requests by third countries, the Community made a supplementary offer of further tariff concessions which, in the Community's view, discharges the Community's obligations under XXIV(6). The Americans have maintained the high value to them of the cereal bindings they formerly had in the UK tariff and argue that there is still more to pay. On 14 January 1974, they made a formal request to this effect.

External Relations: the Scheme of Generalised System of Preferences

The Summit remit

The Summit Communiqué 'invited Member States progressively to adopt an overall policy of development co-operation' with, as one particular objective, 'the improvement of generalised preferences with the aim of achieving a steady increase in imports of manufactures from developing countries'. Taken in conjunction with Protocol 23 of the Treaty of Accession, which authorised new Member States to defer until 1 January 1974 the application of the Community's scheme of GSP, this has meant that during 1973 work on the process of alignment and of improving the scheme has been proceeding in parallel.

Main events since the Summit

During the earlier part of 1973 a High-Level Group considered the various mandates given in the Summit communiqué for progress in the areas of development cooperation, including improvements in the GSP. The Group's report made it clear that there was no prospect of a fundamental departure from the existing terms of the Community's GSP scheme, but indicated various sectors for possible improvements. While the report represented an agreed consensus, the UK – with Denmark and Holland – entered caveats supporting certain further improvements.

A working party spent the rest of the year in detailed study and negotiation over improvements, against the background of the High-Level Group Report. The Commission's recommendations for the enlarged Community's GSP Scheme for 1974 first went to the Council on 6 November 1973, and the Scheme was finally agreed at the Council meeting on 18 December.

Progress may be assessed under three heads:

General

Since Protocol 23 clearly implied a commitment on the part of the new Member States to adopt the Scheme operated by the Six, our objective was to achieve the maximum possible liberalisation within the broad constraints of the Scheme; but we had to recognise that it has been evolved, and will continue to be evolved, by consensus, and thus needs to take account of the varying interests of Member States and of the existing Associates of the Community. Against this background a number of improvements have been achieved in the Scheme for 1974. The most important of these are: increases in the size of tariff quotas for 'sensitive' products; some reductions in the number of items designated as 'sensitive'; some higher 'butoirs' which limit the share of the tariff quota which may be filled by any one beneficiary country; and some improvements, both in respect of the range of products covered and in the depth of tariff cut, for processed agricultural products.

Joint Declaration of Intent

The 'Joint Declaration of Intent' recognised and promised to review the problems of the developing independent Commonwealth countries in Asia who were not eligible to seek association with the Community. During the course of the year these countries have made representations to the Commission (which we have strongly supported), and to Member States, about products of particular importance to them. The Commission subsequently made a number of specific proposals to the Council, the majority of which have been accepted. The more important of these are:

(i) a special tariff quota at a concessionary rate for Virginia flue-cured tobacco (of considerable importance to India since this represents her second most important export to the UK);

(ii) special arrangements for plywood (of particular importance to Malaysia and Singapore);

(iii) the inclusion of jute and coir from India and Bangladesh in the Community's GSP, and continued duty-free entry into the UK;

(iv) a tariff quota at a concessionary rate for certain forms of canned pineapple (a valuable concession for Malaysia and Singapore).

The Hong Kong problem

At the time of the accession negotiations, the EEC agreed to include Hong Kong as a beneficiary of its GSP only on the basis that textiles and footwear were excluded. Hong Kong has made strong representations about this discrimination – primarily because of the preferences accorded to her independent competitors – but there was never any serious prospect of persuading the rest of the Community to revise its stand on Hong Kong during the negotiations on the 1974 Scheme. However, we have made it clear that

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we shall be reopening this issue over the Scheme for 1975.

Future Community activity

The Community's GSP is reviewed yearly. In 1974 there will be further negotiations on the Scheme for 1975 and we are already committed to seeking further improvements. Additionally, the Community is committed to giving early consideration to certain sectors – principally processed agricultural products, where the coverage is far more limited than in the superseded UK and Danish schemes – and some further improvements might be introduced during the course of 1974. There are also some unresolved issues to be studied in the context of the Joint Declaration of Intent; the most important item is certain types of leather from India.

External Relations: the Protocol 22 negotiations

The Summit remit

'The Heads of State or of Government are convinced that the Community must, without detracting from the advantages enjoyed by countries with which it has special relations, respond even more than in the past to the expectations of all the developing countries;

'With this in view, it attaches essential importance to the policy of association as confirmed in the Treaty of Accession . . .'

Main events since the Summit

On 9 April 1973 the Commission presented to the Council a memorandum on the future relations between the Community, the 19 Associated African and Malagasy States (the AAMS) and the 20 countries in Africa, the Caribbean and the Indian and Pacific Oceans which were referred to in Protocol 22 of the Act of Accession. The Commission's view was that the terms of the Convention of Association should follow very closely those of the Yaoundé Convention. An export stabilisation scheme was also proposed to safeguard the earnings of countries producing certain primary products. Discussions were then held within the Community on the mandate for the negotiations. A complete mandate was not agreed before formal negotiations opened, mainly because of differences of view on tariff reciprocity and the stabilisation of export receipts.

A Ministerial Conference to precede the opening of the Protocol 22 negotiations took place in Brussels on 25 and 26 July. The negotiations were opened formally at a Ministerial meeting on 17 and 18 October, followed by a series of meetings until December at official level between the Associates/Associables and the Commission (as spokesman for the Nine).

The Associates and Associables have so far taken a firm and clear line, and can be said to have set the pace at the present stage of the negotiations. They have put forward four main proposals:

(i) free and unlimited access to EEC markets for all their exports;
(ii) no tariff reciprocity;
(iii) more generous origin rules than those currently in use under the Yaoundé Convention; and
(iv) measures to stabilise their export earnings.

The Nine are currently considering these proposals with the objective of giving the Commission a mandate for the discussions which will shortly reopen. Their response to the proposals has been constructive, and there are good prospects that the Community will go a substantial way towards meeting what the Associates/Associables would like.

The negotiations have therefore got off to a promising start. The atmosphere at the meetings has been cordial and an impressive feature has been the ability of the forty Associates/Associables to co-ordinate their views and to appoint a single spokesman to express them. However, much work remains to be done before a new Convention to operate from 1 February 1975 is agreed.

External Relations: relations with the Mediterranean countries

The Summit remit

'(The Community) attaches essential importance to the policy of association as confirmed in the Treaty of Accession and to the fulfilment of its commitments to the countries of the Mediterranean Basin with which agreements have been or will be concluded, agreements which should be the subject of an overall and balanced approach.'

At the time of the 1972 Summit the Six had association and/or trading agreements with the following Mediterranean countries: Greece, Turkey, Morocco, Tunisia, Spain, Israel and Malta. Agreements with Cyprus and Egypt were concluded during 1973. An agreement with Lebanon was concluded but is not yet in force, and negotiations began with Algeria (which has no agreement at present). Article 108 of the Treaty of Accession requires the new Member States to become party to these agreements, subject to any necessary adaptation and transitional arrangements.

Main events since the Summit

During 1973 adaptation protocols were concluded with Cyprus, Egypt, Turkey, Morocco, Tunisia and Lebanon, whereby the new Member States become party to the existing agreements. The protocols with Cyprus, Egypt and Turkey have come into force.

As a result of the 'overall and balanced approach' adopted at the Summit, mandates for new 'global' agreements with certain Mediterranean countries were agreed by the Nine in June 1973. Negotiations began in July with 1) Spain and Israel, where simple adaptation of the existing agreements was ruled out because enlargement had upset the balance of the agreements, and 2) Morocco, Tunisia and Algeria (the last has no agreement at present). All these countries rejected the Community's first offer (eventual free trade in industrial goods plus tariff concessions by the EEC on agricultural products), and new mandates, involving longer tariff-dismantlement timetables for Spain and Israel and bigger agricultural concessions by the EEC for all five countries, are still under consideration in Brussels.

When it became clear that the global negotiations could not be completed by the end of the year (partly because of the delay in agreeing new mandates and partly because of the political situation in the Mediterranean/Middle East), the Commission made proposals for an interim tariff regime based on the application by the new Member States of the existing agreements and the agricultural concessions contained in the June mandates. No agreement had been reached by the end of the year, and the way was therefore open for the new Member States to take 'appropriate practical measures at their discretion for a limited period', as authorised by the 3/4 December Council of Foreign Ministers. For the UK, this means a tariff 'status quo' for all Mediterranean countries where agreements to take account of enlargement were not negotiated or implemented by the end of 1973 (ie, Spain, Israel, Greece, Morocco, Tunisia, Lebanon, Malta and Algeria). 'Status quo' means applying the reductions but not the increases in the UK mfn tariff resulting from our transitional move on 1 January towards the CCT.

The Community's original aim, based on the Summit, was to bring the new Member States into the existing Mediterranean agreements and to negotiate new agreements with Spain, Israel and the Maghreb by the end of 1973. This programme has proved over-ambitious. Of the 11 countries involved, only Cyprus, Egypt and Turkey have settled their trading relations with the enlarged Community. Problems over authentic texts (particularly Arabic), tariff quotas and ratification caused delays to the protocols for Morocco, Tunisia and Lebanon.

Future Community activity

The outstanding adaptation protocol for Morocco will probably enter into force on 1 March, and possibly those for Tunisia and Lebanon also. As for the global negotiations, the Council of Ministers on 15 January reaffirmed its wish that these should be pressed on with, though new negotiating mandates will first have to be agreed.

Action since the 1972 Summit continued

External Relations: relations with the USA

The Summit remit

'. . . to maintain a constructive dialogue with the United States, Japan, Canada and its other industrialised trade partners in a forthcoming spirit using the most appropriate methods.'

Main events since the Summit

Dialogue with the USA concentrated on three main areas: 1) a re-definition of relations between the Community and the USA following Dr. Kissinger's proposals for a trans-Atlantic declaration, which he made in April as part of President Nixon's 'Year of Europe'; 2) negotiations between the Community and the US over compensation due to the latter, under GATT Article XXIV(6), as a result of the enlargement of the EEC; 3) preparations for the GATT multilateral trade talks. The last two of these areas are covered in the section on *GATT Multilateral Negotiations* on page 3.

As a result of Dr. Kissinger's call for a revitalisation of the Atlantic relationship, work has been taking place in two separate areas: 1) the nine members of the Community have been working collectively towards the definition of their relations with the US, in the context of a visit to Europe by President Nixon; 2) also in the context of such a visit, the members of the North Atlantic Alliance have begun to consider how best to reaffirm the purposes and principles of the Alliance. The US/Nine exercise will serve as a useful guide to how relations may be developed between the Community and other countries, including Canada and Japan.

In the context of the trade negotiations, and trade relations with the US in general, interest has centred on the progress of the Trade Reform Bill, which is before Congress at present and which provides the President with the necessary mandate to negotiate. The Trade Reform Bill was presented to Congress in April 1973, and, although its passage has been prolonged and subject to several delays, it has been approved by the House of Representatives and is now to be considered by the Senate. During its progress through the House two provisions were inserted in the Bill, linking trade concessions granted to the Soviet Union with the latter's treatment of Jewish emigration. The President has said that unless satisfactory changes are made to the Bill during deliberations in the Senate he would find the entire legislation 'unacceptable'.

In December, Dr. Kissinger suggested that the energy crisis should be tackled by forming an 'Energy Action Group' of oil consumers and producers. This initiative was welcomed by the Prime Minister. At its meeting on 5 February the Council of Ministers agreed a Community mandate for the two-day energy conference starting in Washington on 11 February.

Future Community activity

On the broad political front it is expected that work on the declaration of principles will be completely satisfactorily. It is hoped also that progress will be achieved in developing a dialogue between oil producing and consuming countries.

On the trade front, the US Trade Reform Bill will have to be enacted before the GATT multilateral trade negotiations can begin in earnest. Meanwhile the negotiations of compensation due to the US under GATT Article XXIV(6) have reached a critical stage.

External Relations: relations with Japan

The Summit remit

The Summit communiqué recorded the Community's determination to 'maintain a constructive dialogue with the United States, Japan, Canada and its other industrial trade partners in a forthcoming spirit using the most appropriate methods'.

Main events since the Summit

In December, at the meeting of the Council of Ministers, a Declaration was adopted which set out the following guidelines for a Community approach to trade with Japan:

- More extensive exchange of information and consultations among Member States (including the adoption of a British proposal for closer monitoring of potential problem areas).
- The advisability of leaving a rather wide margin for measures of a regional character, while retaining implementation of Community measures as the main objective.
- Acceptance of the need to strengthen contacts between the Commission and Japan and their extension to cover problems arising from improving access to the Japanese market.
- Reaffirmation of the Community's intent to apply autonomously all means at its disposal and to negotiate with Japan all possible solutions to specific problems in the absence of an EEC/Japan treaty.

The Declaration must be seen as a stepping stone rather than a milestone in the evolution of a common commercial policy towards Japan, and discussions will continue. For her part, the UK will continue to work towards the achievement of an objective and liberal approach to trade with Japan.

Social Policy

The Summit remit

The Summit Conference emphasised the importance it attached to vigorous action in the social field; thought it essential to ensure the increasing involvement of labour and management in the economic and social decisions of the Community; and invited the Institutions, after consulting labour and management, to draw up a programme of action 'providing for concrete measures and the corresponding resources, particularly in the framework of the Social Fund'.

Main events since the Summit

After consultation with Member States – and with the European Parliament, the Economic and Social Committee, trades unions, employers and other interested parties – the Commission submitted proposals for a social action programme to the Council in October 1973. A programme of action based on the Commission's proposals was agreed in principle in December and formally adopted in a Resolution of the Council in January 1974. The Resolution contains over 30 objectives, each of which will be the subject of specific proposals by the Commission, to be achieved over the years 1974-76. The Council has agreed that priority be given to the following projects:

- Establishment of consultation between Member States on their employment policies and the promotion of better co-operation by national employment services.
- Establishment of an action programme for migrant workers who are nationals of Member States or third countries.
- Implementation of a common vocational training policy and the setting up of a European Vocational Training Centre.
- Undertaking of action to achieve equality between men and women as regards access to employment and vocational training and advancement and as regards working conditions, including pay.
- Establishment of appropriate consultations between Member States on their social protection policies.
- Establishment of an initial action programme, relating in particular to health and safety at work, the health of workers and improved organisation of tasks, beginning in those economic sectors where working conditions appear most difficult.
- Implementation, by drawing up pilot schemes in co-operation with the Member States, of measures to combat poverty.
- Progressive involvement of workers or their representatives in the life of undertakings in the Community.
- Promotion of the involvement of management and labour in the economic and social decisions of the Community.

The Commission has already presented proposals relating to:

- Social Fund assistance to migrant and handicapped workers.
- An action programme for handicapped workers in an open economy.

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Policy for textiles in the EEC

by J. H. Pownall, Chemical and Textile Division, DTI

Why a common policy?

The concepts of common industrial and commercial policies form a basic part of the development of the European Economic Community, and are clearly spelled out in the Treaty of Rome.

Textiles and clothing are major sectors of industry within the Community of the 'Nine', with a net output valued at some £7,500 million, and with a work force of 3.3 millions – accounting for 7 per cent of total industrial employment in the EEC. The viability and prosperity of these sectors are clearly of great importance for the economic and industrial health of the Community as a whole. Finding the right policies will help these industries to prosper, encourage the most efficient use of resources within the Community and strengthen the Community's trading relationships with the rest of the world. Getting these trading relationships right is of considerable significance in a number of ways, apart from simply adding to Europe's commercial power to compete with the other major trading nations of the world. Commercial policy can be used to further the aims of the Association agreements which the Community has with a number of other countries, and to assist the economic progress of developing countries, many of which have established, or are building up, textile industries as an early stage in their overall economic development.

Experience has shown, and is still showing, that textiles are among the first manufacturing enterprises to be established as a country becomes industrialised, and, unless these enterprises are able to adapt to changing circumstances, problems are likely to emerge as the pace of industrialisation advances and others enter the market, eager to compete for what were previously regarded as 'bread and butter' lines of business. These problems have been encountered throughout Europe, and in some cases more acutely in Britain than elsewhere because of the importance of the 'traditional' sectors of our textile industry which grew to be larger than those of our competitors in the 19th century. It used to be said that Lancashire produced cotton cloth for the home trade before breakfast and for the rest of the world during the remainder of the day. A legacy of such growth has been that we and our Community partners have been faced with problems at home in terms of industrial structure, requirements for new investment, the need to develop employment policies which allow for concentration and re-deployment with the minimum of social and economic disruption, and the need to develop new markets for new products. Concentration of textile activities in particular regions has added a further dimension to the problem of industrial change. On the overseas trade front, we have all had to face growing competition, at home as well as in third markets, both from other industrialised nations and from developing countries which have the labour, the raw materials and, increasingly, the skills to produce large volumes of highly marketable goods. Indeed, a number of developing countries now depend in the main on their textile exports for the foreign-exchange earnings on which their overall economic development so largely depends.

One particular feature of textile trade is its cyclical characteristic. The cycle, which does not run exactly in phase with the general business cycle encountered by so many countries, has a periodicity of 4-5 years. In the UK, demand has been found to fluctuate over the cycle by up to about 20 per cent – quite enough to make all the difference between profitability and prosperity on the one hand and loss-making under-utilisation of capacity on the other. However, in the past, the cycle, both in terms of time and size of fluctuation, has not been quite the same in different markets, and this helped partly to mitigate the consequences of changes in demand. As international trading links have become closer, and as the textile industry has become increasingly dependent on the use of man-made fibres, there has been a tendency for the cycle to acquire world-wide characteristics. Progress towards a single major economic unit in Western Europe can be expected to add to this tendency, and, if the Community is to avoid the worst effects, it must seek common policies for textiles designed to combat the cyclical problem.

The framework for finding common policies

Basically the initiative must lie with the Member States themselves. The Six laid down the original framework of the Treaty of Rome, and together with the three new Member States over the last 18 months, have been adding to it ever since. By the special invitation of the Six, the new Members began to take part in Community discussions on textile questions some months before they formally joined. These discussions take place frequently – at least once a fortnight during last year – and cover the whole range of industrial and trade issues. The key meetings involve the European Commission and Member Governments. In developing national attitudes, Governments of the Member States have close working relationships with trade interests and trades unions within their own countries, and in many Community States, especially in the UK, a great deal of progress has been made in collaborative policy making. Similarly the Commission has frequent contacts with Comitextil – the organisation representing the textile trade associations of the Community countries.

Comitextil plays a valuable role in co-ordinating 'European' industry views on policy questions and putting these both direct to the Commission and, through its constituent organisations, to the Member Governments. The textile trades unions are playing an increasing role in these consultations. While there is no union membership of Comitextil itself, the organisation holds regular meetings with representatives of the textile unions of the European countries by means of a joint 'Round Table'. The UK is particularly well placed in developing an industrial view on textile problems because our national constituent of Comitextil, the British Textile Confederation, includes trade union members.

The UK approach to a common Community policy

The British Government has made it clear that they attach great importance to equalising as nearly as possible the competitive conditions for textile producers throughout the Community, and to the continuing evolution of a viable Community textile industry. Our objective is to see established as soon as possible a genuine common market for textiles and a common import regime for the whole Community. Once imported, textiles from third countries should be free to move to any part of the Community so that the present artificial inequalities in import burdens imposed on industries by different national regimes would disappear. We favour, as our Community partners in general also

Textile industries of the EEC: yarns and fabrics (including knitted)

'000 tonnes

	1970			
	Production	Imports	Exports	Market
Enlarged Community*	4,767.4	1,096.2	1,416.5	4,447.3
of which:				
Belgium/Luxembourg	323.5	149.9	202.2	271.2
France	806.6	128.6	202.5	732.7
West Germany	1,315.0	303.7	342.6	1,276.1
Italy	917.7	115.3	262.2	770.8
Netherlands	259.0	151.5	194.9	215.6
Denmark	29.2	64.1	14.2	79.1
UK	1,116.4	183.1	197.7	1,101.8
The 'Six', excluding intra-EEC trade	3,621.8	258.4	485.8	3,394.4

* Excludes Greenland, Faroe Islands and Irish Republic, for which comparable data are unavailable.

do, that import quotas should not be regarded in the long run as a permanent form of protection. It will, however, be essential to be able to retain or apply quantitative restrictions selectively to deal with disruptive imports under internationally agreed rules.

Community import policy

Although, as mentioned at the beginning of this article, the Community is committed to adopting a common commercial policy, there is a long way to go before this is achieved in the textile field. The Community has been in existence for nearly 17 years, but even the original Member States continue to operate their own import policies over a substantial range of textile products from a variety of sources. The consequences are that there are still considerable disparities between the degree of protection against import competition given to the different national textile industries, and it cannot be assumed that goods imported into one Member State may then freely circulate to the others.

Before the accession of the three new members, the Community had taken some steps towards the establishment of a common policy by placing on a Community basis those import arrangements which all Member States operated in the same way or which were so similar as to require the minimum of change. Thus, under Regulation 1025/70, the Community adopted a common liberalisation list of those products which all Member States permitted to enter without quantitative restriction, and laid down procedures under which restrictions could be authorised if a disruptive situation developed within the market of one or more Member States. It is of particular interest to the UK that the common liberalisation list included cotton yarn, which is subject to import restrictions here. The Community also negotiated bilateral restraint agreements with its seven major suppliers of cotton textiles (Japan, Taiwan, Hong Kong, South Korea, India, Pakistan and Egypt). Subsequently an eighth agreement with Jugoslavia was added which paid special attention to the traffic in goods originating in the Six but exported to Jugoslavia for further processing before being returned to the Community. While these agreements were negotiated by the Commission on behalf of the Community, they provided for fixed shares of the overall Community quotas to be taken by individual Member States. These shares were established mainly on the basis of past trading patterns, and thus represented a formalisation on a Community basis of existing national practices rather than a genuine common market in the goods in question. All these agreements were due to end in the latter part of 1973, but have been temporarily extended while new arrangements are worked out.

M. Jean Carissimo-Desurmont, Director General of Comitextil – the senior pan-European textile association. 'Comitextil', says the author, 'plays a valuable role in co-ordinating "European" industry views on policy questions and putting these both direct to the Commission and, through its constituent organisations, to the Community's Member Governments.'

The GATT Multifibre Arrangement

The expiry in 1973 of the international Long Term Arrangement for trade in cotton textiles, which was originally negotiated under the auspices of the General Agreement on Tariffs and Trade (the GATT) in 1962, gave rise to the need for a new Arrangement dealing with the circumstances and conditions under which countries could impose or agree to quantitative restrictions on textile trade. Some 50 countries with substantial textile trading interests saw the need for a new Arrangement covering textiles of other fibres in addition to cotton and which, while providing for increased liberalisation, would allowed importing countries to deal with situations of market disruption. Negotiation of this Arrangement took place in Geneva during September to December last year, and the Community took part as a single unit in the expectation that the outcome, as well as providing a basis for the conduct of trade in the rest of the world, would establish many of the ground rules for its own textile trade policy. The negotiations were brought to a successful conclusion and the new Arrangement came into effect on 1 January. The Community is now beginning the task of building its own new policy by the application of what it agreed in Geneva.

The new Arrangement provides that all participating countries should within two months notify all existing quantitative restrictions on textile trade to the GATT: any restrictions which are not notified will be considered contrary to the Arrangement and will have to be ended immediately. Countries will then have to justify their restrictions under the provisions of the new Arrangement or phase them out over a maximum period of three years. It will be possible to justify existing restrictions or impose new ones in clearly defined situations of market disruption or actual threat of disruption. Countries will also be free to enter into bilateral restraint agreements on mutually acceptable terms provided that these agreements do not conflict with the basic principles and objectives of the Arrangement, and provided also that the terms are more generous than the minima specified for unilateral restraint measures. An important feature of the new Arrangement, which represents a real advance on the provisions of the old Long Term Arrangement, is the establishment of an international surveillance body to see that participating countries adhere to the new rules.

To conform with the new Arrangement, the Community must now review all its existing restrictions and decide which of these it will seek to justify; a time-table will then have to be established for phasing out the others. It seems likely that most, if not all, of the restrictions which are earmarked for retention beyond the three-year phasing-out period will become the subject of new bilateral agreements with the supplying countries, and these agreements will be concluded by the Community, not by individual Member States. However, until a genuine common market for textiles has been established within the Community, there will be a strong case for Member States to retain the right to take safeguard action in cases of disruption of their own markets which do not extend to the Community as a whole. Regional problems may well arise where regional solutions are appropriate, but it will be necessary to ensure that actions taken on this basis do not conflict with the overall plan of achieving a common import regime with free circulation of imported products.

Achieving a common market in textiles

The main problem here is in the progressive elimination of disparities between the Member States in import restraint systems and in quota sizes. While the new GATT Arrangement is expected to do much to place restraint systems on a common basis and provide a common level of overall protection for the Community's textile industries, the problems remain of merging individual countries' quotas to give a single Community quota allowing imported goods to flow freely between the Member States. The Council of Ministers recently decided, on the basis of a Commission proposal, that a programme for achieving these desirable objectives is to be worked out during the course of 1974. There

are a number of possible ways of getting what is wanted. The UK has already put to its partners one illustration of how it might be done. This involves differential import growth rates among the Member States, so that it becomes possible for each to achieve a level of imports related to the likely needs of the national market. When countries have become open to their 'economic share' of total Community imports, it should then be possible to embark upon a second transitional stage for dismantling the barriers to trade in imported goods between Member States. A second possible course, under consideration by the European textile industries, provides for progressively increasing national shares within an overall Community quotas level until such shares cease to exert any effect on the flow of trade and so can be abolished. Among the outstanding problems which remain to be tackled is the development of a comprehensive policy for the Community's textile trade relations with the Communist bloc. An important consideration here is the volume of textile goods entering the German Federal Republic from East Germany which have not as yet been allowed to circulate in the rest of the Community.

The time-scale

With the existing national disparities between quota systems and the time required to bring existing restrictions on to a common basis within the new GATT Arrangement, we cannot expect that a genuine common market in textiles will be achieved very quickly. However, a start has been made on tackling most of the major problems involved, and it may well be claimed that more progress has been made in establishing the working principles of a common policy during the past year than in the previous 15 years of the Community's existence. While we hope to develop by the end of 1974 a firm programme and time-scale for achieving a fully common import regime, it is difficult to say in advance of working out many of the details just now long this time-scale need be. The Community will be doing very well to reach its objective within five years.

Industrial policies

In the past the Community has made considerable progress in establishing policies in a number of fields directly affecting European industry, eg: competition policy; the removal of technical barriers to trade between Member States; setting up a customs union. However, there have been only limited developments over policies specifically for the textile industries. In July 1971 the Commission published a paper giving the results of an examination of the textile industries of the Six and making policy proposals. The Commission anticipated a continued decline in production and called for a considerable degree of industrial re-structuring to improve competitiveness. They urged the implementation of a trade policy providing for the progressive opening of the Community market, and coupled this with measures to accelerate industrial reorganisation and to deal with the problems of regions where textile activities are highly concentrated. The Commission wanted to encourage intervention by Governments to deal with problems of over-capacity, to lead firms to move out of textile production, to promote research and to improve short-term economic prospects. However, they expressed doubts about the desirability of Government schemes to aid capital expenditure by industry unless these could be shown not to distort competition within the Community.

Industry's response to the Commission's proposals lacked enthusiasm. Many of those concerned with industrial development felt that the Commission had not gone far enough in giving industry the support it needed, while those concerned with social and employment problems were reluctant to envisage that a decline in output, with the accompanying implications for employment, should be accepted as inevitable. When the Commission came to re-evaluate some of the work which had been done, they too had doubts about whether the run-down would in fact be as great as had first been feared. The French research organisation, SOFRED, carried out for the industrial, social affairs, and regional directorates of the Commission a study of trends in the textile industries of the Six, together with their regional and social implications. These studies are now being extended to the new Member States, and, when all the results have been evaluated, they will form a valuable background to any new industrial-policy measures which are considered necessary. The Commission is also promoting research into the characteristics of the textile cycle and its effects on the industries of the Community. One particular problem here, which extends to the whole range of textile-policy issues, is the need to improve statistics of production, consumption and trade in textiles, and to achieve a higher level of comparability between the data for the different Member States.

The Commission has launched a review of Member States' aids to industry, with a view to ensuring that these do not give rise to distortion of competition. Particular attention has been paid to Italian legislation providing finance for textile projects, for giving relief from social security payments, and for helping firms to diversify away from textile production. The review has given rise to a number of questions of regional, as well as industrial, policy which remain to be settled. It also involves judgements about the extent to which particular schemes, such as the recently announced UK scheme to assist re-structuring in the wool textile industry, are primarily of regional significance and do not directly affect the competitive situation.

In the field of technical barriers to trade, the Community has taken an important step in adopting a Directive on the labelling and description of textile products. A Statutory Order has recently been made in the UK to implement the regulations contained in this Directive. As from 1 July 1975, most textile products sold in the UK will have to be labelled so as to specify the fibres they contain and, where there are mixtures of fibres, to give the relative proportions of the mixture. Further Directives have recently been prepared specifying methods for analysing mixtures, in support of the basic labelling Directive. As well as removing a barrier to trade resulting from differing labelling requirements in different Community countries, the new Directives confer valuable benefits on consumers, who will be better informed about what they are buying.

Opportunities for Britain

From our industries' point of view, common policies will open the way for increasing prosperity, employment and investment opportunities through the equalisation of competitive conditions within the Community. The elimination of disparities in these conditions, particularly as regards import competition, will allow UK firms to make the best of their advantages in a home market some five times larger than the one they previously supplied. In the UK we have to overcome problems resulting from high import penetrations in some of our market sectors, and we have greatly to expand facilities for the marketing and distribution of British products on the Continent. But our textile and clothing firms already have considerable advantages over many of their European competitors in terms of the scale of their operations, degree of vertical integration, technological base, leadership in design, and cost competitiveness.

From the consumer's point of view, there are benefits to be gained in terms of the range of choice available and the economies passed on by industries which are thriving in a genuinely competitive situation.

EEC – your questions answered

The EEC Information Unit's function in life is to help firms – small or large – to find answers to the questions posed by the UK's membership of the European Communities. Many of the inquiries received concern firms' own activities or special problems, and are, of course, kept strictly confidential; but many too are of general interest, and the answers to some of these are given below in the expectation that readers will find them useful.

Q. My customer in Germany uses my products in the manufacture of goods which he exports to Sweden. He has asked me to supply evidence of the origin status of my products. How do I do this?

A. Your customer needs to establish that the goods he is exporting satisfy the conditions for preferential treatment, under the terms of the EEC-Sweden Free Trade Agreement. He will then be able to benefit from a reduced rate of import duty into Sweden.

The evidence requested can be supplied by making a declaration on the commercial invoice for the goods. The text of this declaration is given in *Appendix A to Customs Notice* 821 – '*European Economic Community Preferences: Exported goods subsequently re-exported by another EEC country – simplified procedure for sending evidence of EEC origin*'. Your declaration should contain one of two alternative statements concerning the origin of the goods. Statement (a) should be completed if your goods satisfy the rules of definition for 'originating' products under the EEC-Sweden Free Trade Agreement (see *Customs Notice 810, Part II*). For all other goods, statement (b) should be completed, giving details of the trade description, the country of origin, the value and the processing of each material used in the manufacture of your goods. Details of place and date of signature are required, and the declaration must be signed by yourself or your authorised representative. Customs endorsement is not required and the completed declaration can be sent direct to your customer.

As explained in the Notice, its provisions relate to goods intended for trade with each of the EFTA countries, and with countries (eg, Cyprus and Egypt) which have preferential trading agreements with the EEC. As for the EFTA countries only, if your goods qualify under any one of the Free Trade Agreements with those countries (which, with regard to your question, of course include the EEC-Sweden Agreement), and if they also satisfy the conditions for obtaining ex-EFTA treatment (see *Notice 810, Part III*), the words 'Article 25(1) satisfied' should be added.

In some cases the Customs of the importing EEC country may ask for an information certificate in addition to the invoice declaration. In these circumstances you should be guided by *paragraphs 4 and 5 of Notice 821.*

Copies of *Notice 821* and *Notice 810* may be obtained from any Customs House or office of a Collector of Customs and Excise in the UK, or from HM Customs and Excise, Room 357, King's Beam House, Mark Lane, London EC3R 7HE.

Q. Where can I find the authentic English text of European Communities secondary legislation on technical standards?

A. Her Majesty's Stationery Office have recently published the first 14 volumes of a Subject Edition of the authentic English text of the European Communities secondary legislation. The Edition will comprise 42 volumes: 41 subject volumes, each covering a specific subject and containing all the instruments issued from 1953 to 1972 on that subject; and a Subject Index and Numerical List (Volume 42), from which the reader can determine which of the subject volumes contains any particular item of legislation. The technical standards instruments are contained in Volume 12.

Each volume contains a useful introduction giving a full description of the various types of Community secondary legislation, and details of the different methods of numbering such legislation used over the last 20 years. The text of each instrument is a translation into English of the exact and complete text of that instrument as it first appeared in the *Official Journal*. If it had been amended by 31 December 1972, a note at the beginning gives the numbers of the relevant amending instruments. The text of any adaptations agreed during the negotiations for entry and published in annexes to the Act of Accession is given at the end of each instrument.

The Edition contains all the legislation in force on 31 December 1972. Legislation enacted since that date has been published in the '*L*' series of the *Official Journal of the European Communities*, which is available from HMSO. In the case of technical standards, the following Directives have been published: 73/23(L77), 73/44(L83), 73/146(L167), 73/173(L189), 73/350(L321), 73/360, 73/361, 73/362(L335), 73/404, 73/405(L347).

The 42 volumes are listed on the right. **Those marked with an asterisk can be obtained now from the Government bookshop.** Their price and international standard book number are given below.

General
- *1. Budgetary policy
- 2. Commercial policy
- 3. Community institutions
- *4. Competition
- *5. Customs questions
- 6. Economy and financial affairs
- 7. Energy policy
- 8. Euratom
- 9. Right of establishment
- 10. Social affairs
- *11. Taxation
- *12. Technical standards
- 13. Transport

Agriculture
- *14. Agricultural finance (FEOGA)
- 15. Agricultural structure and statistics
- 16. Agriculture licences, levies, refunds etc.
- *17. Agriculture – general matters
- *18. Animal feeding-stuffs
- *19. Animal health
- *20. Beef and veal
- 21. Cereals
- 22. Certain processed agricultural products
- 23. Eggs and albumens
- 24. Fisheries
- *25. Flax and hemp
- *26. Food standards
- *27. Forestry
- 28. Fruit and vegetables
- 29. Fruit and vegetables, processed
- 30. Hops
- 31. Live plants and flowers
- 32. Milk and milk products
- 33. Oils and fats
- 34. Pigmeat
- 35. Plant health
- 36. Poultrymeat
- 37. Rice
- 38. Seeds and propagating material
- 39. Sugar
- 40. Tobacco
- 41. Wine

- *42. **Subject Index and Numerical List**

Secondary Legislation of the European Communities: Subject Editions. Legislation in force on 31 December 1972.
Vol. 1 Budgetary Policy. (0 11 330441 2). 68 pp. 63p (70p).
Vol. 4 Competition. (0 11 330444 7.) 150 pp. £1.37½ (£1.49).
Vol. 5 Customs Questions. (0 11 330445 5). 410 pp. £3.79 (£4.06).
Vol. 11 Taxation. (0 11 330451 X). 40 pp. 34p (39½p).
Vol. 12 Technical Standards. (0 11 330452 8). 308 pp. £2.85 (£3.07).
Vol. 14 Agricultural Finance. (0 11 330454 4). 146 pp. £1.33 (£1.44).
Vol. 17 Agriculture – General Matters. (0 11 330457 9). 52 pp. 50p (55½p).
Vol. 18 Animal Feeding Stuffs. (0 11 330458 7). 66 pp. 59½p (66½p).
Vol. 19 Animal Health. (0 11 330459 5). 148 pp. £1.37 (£1.48).
Vol. 20 Beef and Veal. (0 11 330460 9). 148 pp. £1.36 (£1.47).
Vol. 25 Flax and Hemp. (0 11 330465 X). 32 pp. 30p (35½p).
Vol. 26 Food Standards. (0 11 330466 8). 72 pp. 67p (74p).
Vol. 27 Forestry. (0 11 330467 6). 34 pp. 32p (37½p).
Vol. 42 Subject Index and Numerical List. (0 11 330482 X). 82 pp. £1.20 (£1.28).

The Community's Business Co-operation Centre

Invitations to co-operate with firms in other Community countries

The Business Co-operation Centre – the so-called 'Marriage Bureau' – was set up in Brussels last year to encourage and facilitate co-operation between firms from different Member States. The Centre's role is a passive one (it responds to requests for help; it does not take the initiative), but its terms of reference cover all forms of co-operation, including mergers. Though no restriction is placed on the type or size of company which can make use of the Centre, its services are intended to be of benefit primarily to small and medium-sized firms.

The Centre has three main functions:

(1) To put companies seeking co-operation in touch with others in different countries of the Community (agency inquiries are excluded from the Centre's work).

(2) To provide information on national and Community provisions in the legal, fiscal, social and administrative fields.

(3) To report back to the Commission on obstacles to co-operation within the Community.

The Centre has asked *European Community Commentary* **to help by publishing summaries of the requests for co-operation received from firms in Member States other than the United Kingdom. Another batch of requests is reproduced below.**

Readers wishing to obtain further information should write direct to the Centre at the following address, *quoting the reference number of the request(s) in which they are interested*: **Business Co-operation Centre, 15-17 rue Archimède, B-1040 Brussels. The Centre makes no charge for its services, and all inquiries are treated as strictly confidential. No names are revealed without the agreement of all parties.**

Reference BRE/620/315
Belgian boiler constructor, turnover BF1,250 million, specialised in manufacturing of smoke-tube and water-tube boilers for medium and heavy industries (petrochemical industry, sugar mills), wishes to get in touch with EEC firm employing at least 50 persons, for licence agreement. Financial links possible but not essential.
Languages: Dutch, French, English, German.

Reference BRE/475/41
Dutch firm; production and sale of children's food and dietary foods, milk products, pickles, fruit, fruit juices, snacks, air-dried and freeze-dried products; production plants in the Netherlands, Belgium, Britain and Spain; own sales organisations in Greece; 275,000,000 guilders turnover; seeks contact with EEC firms of comparable size or smaller, engaged in production and/or distribution of same products, for co-operation and diversification of production and/or distribution of same products. Joint-venture and financial links possible.
Languages: Dutch, German, English, French, Italian.

Reference BRE/795/25
Dutch firm; production, marketing and distribution of chemicals, pharmaceuticals, cosmetics and surgical dressings; 250,000,000 guilders turnover; production plants in Germany and Belgium; sales to EEC and USA; seeks EEC associate in same branch for co-operation in production, marketing, distribution. Financial links possible.
Languages: German, English, French, Dutch.

Reference BRE/320/371
German medium-size manufacturing company; turnover DM6 million; many years of experience in water and chemical flow products; established marketing organisation in the Federal Republic of Germany; seeks co-operation with compatible firms in all areas of production, development and market representation within the EEC. Financial links possible.
Languages: German, English.

The Marriage Bureau's first 6 months of matchmaking

The Community's Business Co-operation Centre, Brussels, issued its first Annual Report to the Council last month.

In the six months since it was set up in May 1973, the Centre received 607 requests for information on economic, fiscal, legal and administrative aspects of 'cross-frontier' co-operation, and 582 applications from firms seeking business partners in other Member States. The requests for information (about half of those received fell outside the scope of the Centre's terms of reference) were dealt with using the Centre's own resources, or with the aid of its network of external correspondents or other departments of the Commission. Applications for partner searches from Italy and France lagged behind those from Germany and the UK during the Centre's first three months, though, after special efforts to get the Centre more widely known in the two countries, the situation began to even up as the year went by. As can be seen from the table reproduced here, a breakdown of the sectors of industry which expressed interest in the Centre's facilities reveals few surprises. The large number of requests from the structural and mechanical-engineering sectors was expected in view of the size and diversity of the industries. The interest of the food industry is regarded as a reflection of the radical reorganisation which this field has been undergoing in recent years, and the large number of applications from the textiles and clothing industries is attributed to their keenness to strengthen their competitive position by structural integration. The marked interest of firms in the services sectors is ascribed to their wish to add to their business potential by making reciprocal arrangements with firms with the same special knowledge in other Community countries.

On average, says the Centre, the firms contacting it had a workforce of about 250; and most of the applicants fitted into the pattern to which the Centre is oriented: small or medium-sized, already making wide use of any existing opportunities in their regional and national markets, and wishing to find fresh openings through a link with a partner in another Community country. With its present staff the Centre is confident that it can cope comfortably with something like 250 requests a year, but in the light of experience has decided to subject requests for partners to 'a process of natural selection, such as to eliminate impulse inquiries and firms which

Reference BRE/421/25
German manufacturer of pharmaceuticals; 80 employees; turnover DM20 million, with well introduced specialities; modern laboratories and production facilities and a team of experienced medical representatives, instructed and directed according to the latest marketing conceptions; seeks co-operation with EEC firms, same branch, similar or up to twice its own dimension, in the field of research and development, manufacturing, marketing and distribution of pharmaceutical specialities. Financial links possible.
Languages: German, French, English.

Reference BRE/55/325
German firm manufacturing flexible screw conveyor systems for loose material for the chemical, plastics and food industries, with a staff of 100, seeks production and sales co-operation with firm(s) of comparable size engaged in the same sector in the UK and France.
Languages: German, English.

Reference BRE/1379/374
French manufacturer of lever-watches and battery-operated clocks; clientele – department-store and business-gift firms and mail-order stores; turnover FF12.5 million; 70 employees; seeks to co-operate with a firm, same clientele, with a view to exchange of products and distribution networks.
Language: French.

Reference BRE/1124/423
French coffee-roasting and distributing firm (5,000 tons per year); turnover FF41 million; seeks German, British or Italian firm, engaged in the same activity and willing to acquire a majority holding.
Languages: French, English

Reference BRE/1500/413
Italian firm producing dairy products; turnover 5,500 million lire; 120 employees; close-knit distribution network in Italy and abroad; wishes to increase its penetration of the market, and seeks a German, French or British firm of similar or larger size in order to co-operate in the production field by manufacture under licence, and in the commercial field by the use of joint trade marks and/or by pooling or exchanging distribution networks. Financial co-operation possible.
Languages: English, French, German, Italian.

BRE/673/83
Independent German consulting engineering office: turnover DM20-30 million; seeks co-operation with similar-sized engineering firm in the EEC for the purpose of exploiting computer programs in the building construction industry (eg, computation of sewer networks, noise and water-pollution abatement and statics); joint consulting arrangement involving large public authority clients possible and desirable.
Languages: German, English.

Reference BRE/764/451
Ladies' shoes factory in South-West Germany; products – average to high quality; DM10 million turnover; seeks co-operation in the EEC with gentlemen's or children's shoe manufacturer, comparable size, for production and distribution. Financial links possible.
Language: German.

BRE/937/436
Domestic-textiles factory in Western Germany; turnover DM40 million; equipped for all production lines; offers selling rights for needle felt and velour knitted carpets (first-class qualities) to a well-known European carpet and floor covering company (minimum turnover DM50 million) with world-wide exports. Considerable technical know-how will permit joint special developments. Support on the German market is guaranteed.
Languages: German, English, French.

Reference BRE/340/327
Company in Northern Germany; turnover DM30 million; serial producer of portable power equipment; seeks EEC partner of comparable size for co-operation in production and sales of machines and tools for professional users and landscaping and gardening firms; particularly interested in production under licence. Financial links preferred.
Languages: German, French, English.

Breakdown of requests for information and co-operation received by the Business Co-operation Centre to 31 October 1973

	Belgium	Germany	Denmark	France	UK	Italy	Ireland	Luxembourg	Netherlands	Others	Total
I. Requests for information	33	153	26	31	147	34	11		22	150	607
II. Requests for partner search											
1. Number of requests											
Primary industries	3	1		2	1			1			8
Chemicals	1	22	1	5	10	6	2		5		52
Metal products	3	34	2	7	10	10	2		3		71
Mechanical engineering	3	35	2	11	9	14	3		5		82
Electrical engineering	6	10	2	3	15	4	1		2		43
Food industries	4	10		8	12	9	6		5		54
Clothing	7	12		4	5	6	2		1		37
Textiles	3	18		7	3	8	3				42
Wood and paper	1	24		6	7	6	1	1	2		48
Industries, miscellaneous		3			2	2	2				9
Building and civil engineering	3	14	3	3	6		1		1		31
Commerce	3	5		5	3	5	2		2		25
Transport	2	5	1	8	5	1			1		23
Services	5	19		6	21		2		4		57
Total	44	212	11	75	109	71	27	2	31		582
2. Requests for partner search for which firms have supplied the detailed information requested by the Centre											224
3. Requests for partner search put into circulation											42
4. Number of requests for which replies have been received											8
5. Contacts established											3

have to date operated only locally or regionally and which are therefore rushing their fences in thinking of immediate expansion into the international field'. In future, therefore, fuller and more detailed information will be required, and before the application is taken further the information will have to be discussed face to face.

The Centre circulated its first set of 42 offers of co-operation to its correspondents throughout the Community in early October, and began receiving replies from interested firms at the end of that month. Given a minimum of six months to negotiate a proposal for co-operation under contract (mergers take longer), the Centre assumes that its matchmaking will achieve its first results by mid-1974.

Economic Indicators of the EEC

These tables have been prepared for the convenience of users who do not have access to the sources themselves; international publications (as indicated) have been used, supplemented by later reports where possible. In addition to the Member States of the EEC, the United States and Japan have been included for comparison.

The form of presentation adopted – indicators by subject – is for convenience only, and it must not be assumed that the indicators in the same table for different countries are strictly comparable. An attempt has been made to indicate major differences of definition, but the coverage and methods of collection vary considerably; this is partly due to different administrative procedures in various countries. Fuller details may be obtained from the sources indicated, and from the national publications of the countries concerned.

An extensive bibliography—'Sources of Statistics: 2. The European Economic Community'—which lists publications in the Statistics and Market Intelligence Library of the Department of Trade and Industry, is obtainable on request to the library at Export House, 50 Ludgate Hill, London EC4M 7HU (Tel: 01-248 5757, ext. 368). 'Statistical News' No. 21 (May 1973), published by the Central Statistical Office, contains a selected bibliography of statistical publications of the Commission of the European Communities.

TABLE 1 **Industrial Production** (Excluding construction) Seasonally adjusted — Indices 1970 = 100

	Belgium	Luxembourg	France[1]	German F.R.	Ireland[2]	Italy[4]	Netherlands	United Kingdom	EEC[3,4]	*United States*	*Japan*
Weights in EEC	3.8	0.3	23.5	36.5	0.7	12.6	4.4	18.2	100.0	—	—
Weights in total	1.5	0.1	9.0	14.0	0.2	4.9	1.7	7.0	36.4	*48.4*	*13.1*
1968	88	88	84	83	90	91	81	96	87	*99*	*74*
1969	97	100	94	94	97	94	91	100	95	*104*	*88*
1970	100	100	100	100	100	100	100	100	100	*100*	*100*
1971	103	99	106	102	105	99	109	100	103	*100*	*103*
1972	109	103	114	106	109	104	116	102	107	*108*	*110*
1973										*118* (e)	
1971 1st quarter	103	96	104	102	104	99	106	100	102	*99*	*103*
2nd quarter	103	100	103	103	104	96	106	101	102	*100*	*102*
3rd quarter	104	100	107	102	103	95	108	100	102	*100*	*103*
4th quarter	103	99	109	100	107	100	110	100	103	*101*	*103*
1972 1st quarter	108	98	111	104	107	99	113	97	104	*103*	*106*
2nd quarter	109	102	112	105	106	99	115	102	106	*107*	*108*
3rd quarter	109	104	115	105	109	97	116	103	106	*109*	*111*
4th quarter	115	108	117	109	114	105	120	106	111	*113*	*116*
1973 1st quarter	116	114	122	113	121	105	123	110	114	*115*	*124*
2nd quarter	114	112	122	114	119	114	122	111	116	*117*	*128*
3rd quarter	114	115	125	113		116	123	112	117	*119*	*131*
4th quarter										*119* (e)	
October	112	107	115	108		105	118	105	109	*112*	*114*
November	114	107	118	109		104	119	106	111	*113*	*116*
December	116	110	119	111		105	123	107	112	*113*	*119*
1973 January	115	108	122	113		106	123	108	113	*115*	*122*
February	116	116	122	115		105	123	110	115	*116*	*122*
March	117	117	123	112		104	122	111	114	*116*	*127*
April	113	112	119	115		113	122	110	115	*116*	*126*
May	120	114	125	112		111	122	110	116	*117*	*129*
June	110	111	123	115		118	121	111	117	*118*	*129*
July	111	115	127	109		119	120	112	115	*119*	*129*
August	121	115	127	112		114	125	111	117	*119*	*131*
September	110	115	121	118		116	126	112	117	*119*	*132*
October		117	125	113		117 (e)	126	113	117	*119*	*135*
November			127 (e)	114 (e)				112		*119*	*136* (e)
December										*119* (e)	
% change latest three months:											
On previous three months	−0.3	+2.1	−1.0	+2.6	−1.7	−0.3	+3.9	+0.9	+0.9	*+0.2*	*+3.3*
On a year earlier	+4.9	+9.5	+7.3	+6.7	+12.3	+16.4	+7.4	+7.0	+9.3	*+5.6*	*+17.3*

[1]Excluding clothing, wood products and furniture. [2]Mining and manufacturing only. [3]Excluding Denmark.
[4]Revised figures for Italy from beginning of 1973. (e) Estimated

Source: 'OECD Main Economic Indicators'

Action since the 1972 Summit

continued from page 5

A Directive to implement the principle of equal pay.

The general application of the principle of the 40-hour week by 1975 and 4 weeks' paid holiday per year by 1976.

Establishment of a European Foundation for the improvement of the environment and of living and working conditions.

A Directive on harmonisation of the laws of Member States on mass dismissals.

Establishment of a general safety committee and an extension of the Mines Safety and Health Committee.

The European Social Fund, which the Summit linked with the social policy measures, was set up to improve employment opportunities for workers in the Community and thus to contribute to raising the standard of living. It has the task of making the employment of workers easier and of increasing geographical and occupational mobility within the Community. The Fund may meet up to half the cost of training and resettlement schemes financed wholly or partly from public funds.

In 1973 the UK submitted two applications for grants from the Fund. One – for £31 million – was to cover expenditure on training under the Training Opportunities Scheme, assistance to workers who transfer to employment away from their homes, and activities on behalf of disabled people in the UK as a whole. The other—for £780,000—related to expenditure on training and resettlement of agriculture and textile workers. These applications have resulted in an allocation of the order of £24 million.

For 1974 the UK has already made applications totalling over £40 million and is considering the possibility of mounting other applications for assistance.

Consumer Protection

The Summit remit

The Communiqué called for a programme to strengthen and co-ordinate actions in the interests of consumers' protection, to be adopted by 1 January 1974. This was originally intended to be part of the Social Action Programme initiated at the Summit; it has subsequently gained the status of a policy in its own right.

Continued on page 16

TABLE 2 **Unemployment** seasonally adjusted

Indices 1970 = 100

	Belgium[1,2]	Denmark[1,3]	France[2,4]	German F.R.[5]	Ireland[1]	Italy[6]	Netherlands[2,5]	United Kingdom[5]	*United States*[6]	*Japan*[7]
1968	147	163	97	218	88	113	147	95	*69*	*108*
1969	120	129	85	120	86	108	115	94	*69*	*104*
1970	100	100	100	100	100	100	100	100	*100*	*100*
1971	100	125	129	126	100	100	135	129	*122*	*111*
1972	123	126	145	166	114	114	235	142	*118*	*119*
1973						109		102	*105* (e)	
1971 1st quarter	96	92	121	105	95	96	107	111	*122*	*105*
2nd quarter	96	125	126	126	95	102	122	126	*121*	*110*
3rd quarter	100	133	132	142	100	98	141	135	*123*	*115*
4th quarter	107	150	138	154	112	102	174	146	*124*	*121*
1972 1st quarter	114	139	142	143	114	106	207	149	*123*	*119*
2nd quarter	120	140	146	181	114	113	254	147	*120*	*120*
3rd quarter	125	124	148	192	117	121	265	141	*118*	*122*
4th quarter	130	101	145	176	114	117	237	132	*113*	*117*
1973 1st quarter	125	41	140	141	107	107	220	117	*108*	*110*
2nd quarter	127	107	144	187	103	133	263	106	*107*	*108*
3rd quarter	132	101	158	214	106	100	259	99	*103*	*108*
4th quarter						96		87	*104* (e)	
October	132	106	147	191	114	117	257	137	*118*	*119*
November	131	100	144	179	114		243	132	*110*	*120*
December	127	96	144	157	114		211	126	*110*	*111*
1973 January	125	50	141	131	110	107	202	124	*107*	*111*
February	125	29	139	142	107		217	116	*109*	*108*
March	125	43	139	150	105		239	111	*107*	*110*
April	127	132	143	179	102	133	259	109	*108*	*107*
May	127	83	143	189	102		263	105	*107*	*110*
June	128	105	145	194	105		270	104	*104*	*108*
July	131	107	153	207	105	100	257	102	*103*	*107*
August	131	98	157	216	105		265	99	*103*	*110*
September	134	99	163	219	107		257	96	*105*	*106*
October	137	90	161	237	102	96	248	91	*100*	*106*
November	132		159	252	102		235	86	*104*	
December								84	*109* (e)	
1974 January								95		
Rate %	2.4		1.9	2.2		3.1	3.8	2.4	*4.9*	*1.0*
% change latest three months										
On previous three months	+3.2	−2.7	+6.1	+14.6	−0.8	−4.2	−6.6	−7.5	*+0.7*	*−1.0*
On a year earlier	+2.9	−17.0	+9.3	+25.5	−9.7	−17.9	−3.7	−31.2	*−7.6*	*−11.9*

Note: Figures of total unemployment and unemployment rates are very sensitive to the particular measures used and the sources from which they are obtained. The figures in this table to a large extent reflect the different administrative systems and social-security provisions of the countries concerned.

[1] Insured unemployed. [2] Change of basis during period. [3] Monthly data are weekly averages. [4] Unfilled applications. [5] Registered unemployed.
[6] Based on results of sample survey. [7] Unemployment-insurance beneficiaries.
[8] Numbers in latest month available as % of total employees (UK) and of total labour force (others). (e) estimated. Source: 'OECD Main Economic Indicators'

TABLE 3 **Exports (fob)** Special trade,[1] seasonally adjusted

US$ million*

	Belgium/ Luxembourg	Denmark[2]	France	German F.R.	Ireland[2]	Italy	Netherlands	United Kingdom[2]	EEC	*United States*[2]	*Japan*[2]
1968	8,160	2,580	12,708	24,840	792	10,188	8,340	15,348	64,236	*34,416*	*12,972*
1969	10,068	2,952	15,024	29,052	888	11,724	9,960	17,520	97,200	*37,992*	*15,984*
1970	11,592	3,288	17,940	34,188	1,032	13,188	11,772	19,356	112,356	*43,224*	*19,320*
1971	12,081	3,609	20,592	39,009	1,308	15,177	13,953	22,356	128,084	*44,211*	*23,994*
1972	15,612	4,332	25,777	46,187	1,603	18,576	16,386	24,340	152,813	*49,667*	*28,511*
1973			36,071 (e)	67,398 (e)				30,537		*71,405* (e)	
1971 1st quarter	2,868	834	4,818	9,219	312	3,531	3,273	4,896	29,751	*11,370*	*5,538*
2nd quarter	2,898	900	4,893	9,522	321	3,534	3,354	5,623	31,045	*11,106*	*5,928*
3rd quarter	3,186	918	5,382	10,179	321	3,930	3,561	5,820	33,297	*11,805*	*6,123*
4th quarter	3,129	957	5,499	10,089	354	4,182	3,765	6,016	33,991	*11,106*	*6,405*
1972 1st quarter	3,582	1,056	5,913	11,025	369	4,368	3,945	6,044	36,302	*12,045*	*6,675*
2nd quarter	3,821	1,085	6,337	11,472	385	4,487	4,149	6,378	38,114	*11,676*	*6,656*
3rd quarter	3,919	1,055	6,445	11,270	413	4,556	4,025	5,389	37,072	*12,529*	*7 261*
4th quarter	4,290	1,136	7,082	12,420	436	5,165	4,267	6,529	41,325	*13,505*	*7,891*
1973 1st quarter	4,721	1,322	7,630	14,074	467	4,279	5,573	6,865	44,931	*15,692*	*8,266*
2nd quarter	5,273	1,409	8,665	16,106	509	5,170	5,845	7,672	50,649	*16,817*	*8,752*
3rd quarter	6,302	1,729	9,931	18,849	547	6,212	6,074	8,059	57,703	*18,523*	*9,336*
4th quarter			9,845 (e)	18,369 (e)			7,942			*20,373* (e)	
October	1,403	374	2,344	4,157	147	1,590	1,379	2,286	13,860	*4,413*	*2,497*
November	1,306	375	2,351	4,171	144	1,510	1,434	2,149	13,440	*4,563*	*2,623*
December	1,581	387	2,387	4,092	145	2,065	1,454	2,094	14,205	*4,529*	*2,771*
1973 January	1,370	396	2,432	4,606	132	1,445	1,759	2,211	14,351	*5,189*	*2,564*
February	1,612	472	2,540	4,776	164	1,603	2,003	2,331	15,501	*5,110*	*3,064*
March	1,739	454	2,658	4,692	171	1,231	1,811	2,323	15,079	*5,393*	*2,638*
April	1,761	419	2,673	5,122	162	1,454	1,793	2,530	15,914	*5,607*	*2,909*
May	1,740	494	2,891	5,550	172	1,685	2,027	2,459	17,018	*5,518*	*2,920*
June	1,772	496	3,101	5,434	175	2,031	2,025	2,683	17,717	*5,692*	*2,923*
July	2,007	593	3,369	6,008	179	2,147	2,109	2,652	19,064	*5,895*	*3,167*
August	2,170	485	3,228	6,456	185	1,967	1,871	2,660	19,022	*5,996*	*2,960*
September	2,125	651	3,334	6,385	183	2 098	2,094	2,747	19,617	*6,632*	*3,209*
October		563	3,311	6,766	201	2,045		2,658		*6,510*	*3,280*
November			3,400	6,461 (e)		1,922 (e)		2,708		*7,050* (e)	*3,689*
December			3,134 (e)	5,142 (e)				2,576		*6,813* (e)	
% change in dollar terms latest three months											
On previous three months	+19.5	+7.3	−0.9	−2.5	+8.2	−1.3	+3.9	−1.5	+13.9	*+10.0*	*+12.5*
On a year earlier	+60.8	+58.8	+39.0	+47.9	+35.8	+31.2	+50.9	+21.6	+55.7	*+50.9*	*+33 0*
% change in national currencies latest three months											
On previous three months	+14.1	+5.4	+4.8	+4.7	+13.0	−1.8	−5.3	+2.6	+6.6[3]	*+10.0*	*+15.2*
On a year earlier	+34.9	+31.8	+21.2	+19.1	+35.1	+30.5	+21.3	+20.9	+30.8	*+50.9*	*+16.9*

[1] For most purposes special trade may be defined as trade excluding re-exports. [2] General trade. [3] Weighted average of percentage changes in national currencies.
* All values are expressed in US dollars, making use of IMF parity rates as quoted in 'OECD Main Economic Indicators'.
(e) estimated.
Source: United Kingdom: Department of Trade and Industry
All others: 'OECD Main Economic Indicators'.

TABLE 4 Imports (cif) Special trade[1], seasonally adjusted

US$ million*

	Belgium/ Luxem-bourg	Den-mark[2]	France	German F.R.	Ireland[2]	Italy	Nether-lands	United Kingdom[2]	EEC	*United States*[2,3]	*Japan*[2]
1968	8,304	3,216	13,980	20,148	1,176	10,248	9,288	18,960	85,320	*33,108*	*12,984*
1969	9,984	3,804	17,388	24,924	1,416	12,444	10,992	19,956	100,908	*36,048*	*15,024*
1970	11,352	4,380	19,116	29,808	1,572	14,940	13,392	21,720	116,280	*39,960*	*18,876*
1971	12,390	4,476	21,261	34,356	1,838	16,026	15,159	23,897	129,403	*45,633*	*19,716*
1972	14,903	4,971	26,665	39,783	2,113	19,284	17,142	27,831	152,692	*55,800*	*23,463*
1973			37,264 (e)	54,485 (e)				38,864		*69,157* (e)	
1971 1st quarter	2,952	1,101	4,971	8,091	486	4,020	3,615	5,702	30,938	*10,815*	*4,920*
2nd quarter	3,033	1,104	5,145	8,391	435	3,825	3,660	5,904	31,497	*11,556*	*4,938*
3rd quarter	3,102	1,110	5,502	8,811	450	3,993	3,882	5,952	32,802	*12,057*	*4,722*
4th quarter	3,303	1,161	5,643	9,063	463	4,188	4,002	6,339	34,161	*11,205*	*5,136*
1972 1st quarter	3,573	1,185	6,354	9,435	495	4,458	4,095	6,848	36,443	*13,455*	*5,400*
2nd quarter	3,630	1,136	6,454	9,997	511	4,610	4,234	6,954	37,526	*13,200*	*5,456*
3rd quarter	3,721	1,301	6,606	9,836	511	4,895	4,233	6,530	37,633	*14,056*	*5,955*
4th quarter	3,979	1,349	7,251	10,515	596	5,321	4,580	7,499	41,090	*15,089*	*6,652*
1973 1st quarter	4,704	1,570	7,922	11,845	618	5,355	5,416	8,275	45,706	*16,173*	*7,355*
2nd quarter	5,241	1,753	9,004	13,168	657	6,700	5,627	9,426	51,576	*16,587*	*9,269*
3rd quarter	5,828 (e)	2,026	10,358	14,553	744	7,837	6,723	10,238	5,8307 (e)	*17,616*	*10,122*
4th quarter			9,980 (e)	14,919 (e)				10,925		*18,781* (e)	
1972 October	1,281	453	2,340	3,471	192	1,723	1,543	2,554	13,557	*4,805*	*2,091*
November	1,365	474	2,336	3,554	188	1,527	1,536	2,509	13,489	*5,123*	*2,225*
December	1,333	422	2,575	3,490	216	2,071	1,501	2,436	14,044	*5,161*	*2,336*
1973 January	1,543	546	2,515	3,704	196	1,675	1,732	2,583	14,494	*5,260*	*2,254*
February	1,555	506	2,649	4,144	207	2,124	1,823	2,685	15,693	*5,512*	*2,445*
March	1,606	518	2,758	3,997	215	1,556	1,861	3,007	15,519	*5,401*	*2,656*
April	1,639	503	2,662	4,031	209	1,906	1,878	2,884	15,712	*5,273*	*2,881*
May	1,791	620	3,102	4,514	214	2,190	1,892	3,253	17,576	*5,580*	*3,093*
June	1,811	630	3,240	4,623	234	2,604	1,857	3,289	18,288	*5,734*	*3,290*
July	1,902	676	3,539	4,844	263	2,393	2,374	3,294	19,285	*5,767*	*3,256*
August	1,967	678	3,383	4,904	246	2,593	2,100	3,468	19,339	*5,956*	*3,587*
September	1,959 (e)	672	3,436	4,805	235	2,851	2,249	3,476	19,683 (e)	*5,893*	*3,279*
October		739	3,614	5,403	257	2,598		3,758		*5,863*	*3,621*
November			3,435	5,099 (e)		2,154 (e)		3,634		*6,700* (e)	*3,840*
December			2,931 (e)	4,417 (e)				3,533		*6,218* (e)	
% change in dollar terms latest three months											
On previous three months	+11.2	+8.5	−3.6	+2.5	+3.8	+0.2	+19.5	+6.7	+13.1	*+6.6*	*+6.0*
On a year earlier	+56.6	+59.6	+37.6	+41.9	+37.4	+56.0	+58.8	+45.7	+54.9	*+24.5*	*+68.2*
% change in national currencies latest three months											
On previous three months	+6.2	+6.5	+2.0	+10.1	+8.4	−0.3	+8.7	+11.2	+6.8[4]	*+6.6*	*+8.5*
On a year earlier	+31.3	+32.5	+20.0	+14.2	+36.7	+55.2	+27.7	+44.8	+32.6	*+24.5*	*+47.8*

[1] For most purposes special trade may be defined as trade excluding re-exports. [2] General trade. [3] *fob.* [4] Weighted average of percentage changes in national currencies.
* All values are expressed in US dollars with the use of IMF parity rates as quoted in 'OECD Main Economic Indicators'.
(e) estimated. Source: United Kingdom; Department of Trade and Industry. All others: 'OECD Main Economic Indicators'

TABLE 5 Balance of Payments on Current Account

US$ million (unadjusted)

	Belgium/ Luxem-bourg	Den-mark	France	German F.R.	Ireland	Italy	Nether-lands	United Kingdom	*United States*	*Japan*
1968	28	−216	−1,089	2,726	− 62	2,627	65	−682	*− 444*	*1,048*
1969	74	−410	−1,818	1,609	−191	2,339	31	1,068	*−1,049*	*2,119*
1970	748	−539	− 152	730	−188	761	−474	1,661	*415*	*1,970*
1971	874	−449	527	175	420	1,785	−172	2,588	*−2,789*	*5,797*
1972	1 113	− 88	273	398		1,451	1,051	221	*−8,354*	*6,656*
1971 1st quarter	156	−194	− 36	210		−125	−153	154	*677*	*434*
2nd quarter	232	−127	125	− 68		245	−175	833	*− 689*	*1,262*
3rd quarter	189	− 31	13	−232		1,158	50	900	*−2,191*	*2,100*
4th quarter	297	− 97	425	265		507	106	701	*− 586*	*2,001*
1972 1st quarter	279	− 44	− 314	− 52		606	5	− 73	*−1 852*	*959*
2nd quarter	215	49	455	−125		699	267	476	*−2,473*	*1,225*
3rd quarter	235	− 44	− 3	−485		577	382	−355	*−3,331*	*2,091*
4th quarter	384	− 51	135	1,059		−431	397	173	*− 698*	*2,381*
1973 1st quarter	354	−142		207				−845	*− 80*	*514*
2nd quarter				563 (e)				−463	*− 295* (e)	*−372* (e)
3rd quarter				871 (e)				−831	*− 649* (e)	*158* (e)

Source: UK: Central Statistical Office. All others: IMF International Financial Statistics

TABLE 6 Export Unit Values of Manufactures

Indices 1970 = 100

	Belgium/ Luxem-bourg		France		German F.R.		Italy		Nether-lands[1]		United Kingdom		*United States*	*Japan*	
	US$	Bfrs.	US$	frs.	US$	D.M.	US$	lire	US$	Gdrs.	US$	£	US$	US$	Yen
1968	91	91	96	85	88	96	92	92	95	95	90	90	*91*	*90*	*90*
1969	95	95	97	90	92	93	95	95	97	97	93	93	*95*	*95*	*95*
1970	100	100	100	100	100	100	100	100	100	100	100	100	*100*	*100*	*100*
1971	101	98	106	106	108	103	106	107	107	103	110	109	*102*	*104*	*101*
1972	115	101	116	107	119	104	115	107	117	105	122	117	*105*	*115*	*98*
1971 1st quarter	97	97	103	103	101	101	104	104			105	105	*103*	*99*	*99*
2nd quarter	98	98	104	104	104	102	105	105			108	108	*102*	*102*	*102*
3rd quarter	101	98	106	106	111	104	106	106			112	111	*101*	*105*	*104*
4th quarter	107	99	109	109	115	103	109	106			117	112	*103*	*108*	*98*
1972 1st quarter	113	100	114	105	118	104	114	106	118	106	123	114	*104*	*112*	*96*
2nd quarter	117	103	114	105	118	104	114	106	117	105	125	116	*105*	*115*	*98*
3rd quarter	114	100	116	107	122	107	116	107	117	105	121	118	*104*	*116*	*99*
4th quarter	116	103	118	108	119	104	116	108	118	106	117	119	*106*	*119*	*102*
1973 1st quarter			127	111	128	105	120	111	126	107	122	121	*107*	*125*	*96*
2nd quarter			142	113			122	116	138	108	131	124	*110*	*138*	*101*
3rd quarter													*115*		
% change latest 3 months:															
On previous 3 months	+1.8	+3.0	+11.8	+1.8	+7.6	+1.0	+1.7	+4.5	+9.5	+0.9	+7.4	+2.5	*+4.5*	*+10.4*	*+5.2*
On a year earlier	+8.4	+4.0	+24.6	+7.6	+8.5	+1.0	+7.0	+9.4	+17.9	+2.9	+4.8	+6.9	*+10.6*	*+20.0*	*+3.1*

(e) estimated. Source: Dollar value: 'United Nations Monthly Bulletin'. National currency: Dollar values converted at OECD exchange rates as quoted in 'Series A'
[1] No quarterly series available for 1971.

TABLE 7 Consumer prices All goods and services

Indices 1970 = 100

	Belgium[1]	Luxembourg[1]	Denmark	France[2]	German F.R.	Ireland	Italy	Netherlands	United Kingdom	*United States*	*Japan*[2]
1968	92	93	91	89	93	86	93	89	90	*90*	*88*
1969	96	96	94	95	96	92	95	96	94	*94*	*93*
1970	100	100	100	100	100	100	100	100	100	*100*	*100*
1971	104	105	106	105	105	109	105	108	109	*104*	*106*
1972	110	110	113	112	111	118	111	116	117	*108*	*111*
1973	118 (e)			120 (e)	119 (e)	132	123 (e)	125 (e)	128		*124* (e)
1971 1st quarter	102	103	103	103	103	105	103	104	106	*103*	*104*
2nd quarter	104	104	105	105	105	108	104	107	109	*104*	*106*
3rd quarter	105	105	107	106	106	110	105	108	111	*105*	*107*
4th quarter	106	107	108	108	107	112	107	110	112	*106*	*108*
1972 1st quarter	108	108	110	109	109	115	108	113	114	*106*	*108*
2nd quarter	109	109	112	110	110	117	109	115	116	*107*	*111*
3rd quarter	111	111	114	113	112	120	111	116	118	*108*	*111*
4th quarter	113	113	116	115	114	122	114	119	121	*109*	*113*
1973 1st quarter	115	114	118	116	116	126	117	121	123	*111*	*116*
2nd quarter	117	117	122	118	119	130	122	125	127	*113*	*123*
3rd quarter	118	117	125	121	120	133	124	126	129	*116*	*126*
4th quarter	121			124	122	137	128 (e)	129	133		*131* (e)
1972 October	112	112	115	114	113		114	119	120	*109*	*113*
November	113	113	116	115	114	122	114	119	121	*109*	*112*
December	114	113	117	115	114		115	120	121	*109*	*113*
1973 January	115	114	117	115	116		116	121	122	*110*	*114*
February	115	114	118	116	116	126	117	121	123	*111*	*115*
March	116	115	119	116	117		119	122	124	*112*	*118*
April	116	116	120	117	118		120	124	126	*112*	*121*
May	117	117	122	118	119	130	122	125	127	*113*	*123*
June	117	117	123	119	120		123	125	128	*114*	*123*
July	118	117	124	120	120		124	125	128	*114*	*124*
August	118	117	124	121	119	133	124	126	129	*116*	*125*
September	119	118	126	122	120		125	127	130	*117*	*129*
October	120	118	127	123	121		126	128	132	*118*	*129*
November	120 (e)	119	129	125 (e)	122	137	128 (e)	129	133	*118* (e)	*130*
December	122 (e)			125 (e)	123 (e)		129 (e)	129	134	*119* (e)	*134* (e)
% change latest three months:											
On previous three months	+1.9	+0.9	+3.0	+2.7	+2.1	+2.8	+2.6	+2.3	+3.5	*+2.3*	*+4.2*
On a year earlier	+6.9	+5.5	+10.8	+8.3	+7.3	+12.7	+11.5	+7.9	+10.3	*+8.4*	*+16.1*

[1] Excluding rent. [2] Change of basis during period. (e) estimated.

Source: 'OECD Main Economic Indicators

TABLE 8 Value of retail sales Current prices, seasonally adjusted

Indices 1970 = 100

	Belgium[1]/ Luxembourg	Denmark	France[2]	German F.R.[3]	Ireland[4]	Italy[1]	Netherlands	Great Britain[5]	*United States*	*Japan*
1968	83	82	88	82	83	84	80	89	*92*	*80*
1969	90	90	97	90	91	90	89	93	*95*	*89*
1970	100	100	100	100	100	100	100	100	*100*	*100*
1971	107	108	104	111	111	108	108	109	*109*	*110*
1972	122	119	110	120	125	119	120	122	*119*	*118*
1971 1st quarter	101	103	101	108	108	105	104	103	*105*	*105*
2nd quarter	105	107	103	110	110	106	108	107	*108*	*107*
3rd quarter	111	109	104	112	111	108	110	111	*110*	*112*
4th quarter	111	112	106	113	114	111	114	114	*112*	*113*
1972 1st quarter	115	113	106	117	119	113	115	115	*114*	*111*
2nd quarter	121	118	108	118	122	112	119	118	*117*	*114*
3rd quarter	127	122	111	122	126	121	120	124	*120*	*120*
4th quarter	123	122	111	122	132	126	123	129	*125*	*124*
1973 1st quarter	131	128	112	131	142	131	126	135	*132*	*135*
2nd quarter	134	129	115	130	148	134	129	133	*132*	*139*
3rd quarter		138	114	128	149		132	140	*136*	*147*
1972 October	119	123	114	125	138	121	123	127	*125*	*122*
November	120	123	108	120	128	126	124	128	*124*	*125*
December	128	121	110	122	129	133	121	131	*126*	*126*
1973 January	125	129	112	129	138	122	125	130	*130*	*131*
February	134	128	112	134	145	133	128	135	*132*	*134*
March	133	126	111	128	143	139	125	139	*134*	*139*
April	130	128	111	129	142	133	124	129	*132*	*138*
May	134	126	119	130	148	136	130	130	*133*	*139*
June	139	134	116	130	153	134	131	135	*132*	*141*
July	135	135	114	129	143	135	126	138	*137*	*145*
August	134	138	113	128	158	144	137	139	*135*	*145*
September		141	116	128	145		132	141	*136*	*151*
October		141	127	133				146	*138*	
November			122					147	*138*	
% change latest three months:										
On previous three months	+2.8	+6.3	+6.4	Nil	+0.7	+1.2	+2.6	+5.3	*+1.9*	*+5.5*
On a year earlier	+10.0	+14.1	+9.3	+4.3	+18.3	+20.4	+9.1	+14.5	*+11.4*	*+22.5*

[1] Department stores. [2] Department and chainstores. [3] Excluding West Berlin. [4] Average weekly sales. [5] Excluding motor vehicles.

Source: 'OECD Main Economic Indicators'.

TABLE 9 Earnings/wages per head in manufacturing — Indices 1970 = 100

	Belgium/ Luxembourg	Denmark[1, 2]	France[3]	German F.R.[7, †]	Ireland[3]	Italy[8]	Netherlands[4]	United Kingdom†	*United States*[5]	*Japan*[6] †
1968	84	81	82	79	76	78	82	81	*90*	*73*
1969	92	90	91	87	86	83	90	89	*95*	*85*
1970	100	100	100	100	100	100	100	100	*100*	*100*
1971	111	115	110	116	116	113	112	111	*106*	*114*
1972	127	129	120	121	133	124	126	126	*113*	*132*
1971 1st quarter	107	108	104	108	110	109	107	108	*104*	*108*
2nd quarter	110	114	107	109	114	111	110	111	*106*	*111*
3rd quarter	112	117	110	113	118	114	114	112	*106*	*116*
4th quarter	115	121	113	112	122	116	116	115	*108*	*117*
1972 1st quarter	122	123	115	116	127	119	122	121	*111*	*123*
2nd quarter	124	128	118	120	131	121	124	124	*112*	*129*
3rd quarter	129	130	121	122	135	126	128	127	*113*	*131*
4th quarter	132	135	126	126	140	130	129	131	*116*	*138*
1973 1st quarter	140	137	128	130	145	137 (e)	136	134	*118*	*145*
2nd quarter	144	147	133	135	157	150 (e)	140	139	*120*	*155*
3rd quarter	149		138			161 (e)	145	143	*122*	*160*
% change latest three months:										
On previous three months	+3.5	+7.3	+3.7	+3.6	+8.3	+7.2	+3.6	+2.9	*+1.7*	*+3.2*
On a year earlier	+15.5	+14.8	+13.5	+12.5	+19.8	+27.6	+13.3	+13.3	*+8.0*	*+22.1*

† Seasonally adjusted.
[1] Earnings in industry and construction. [2] Including bonuses. [3] Earnings. [4] Hourly earnings industry: males. [5] Gross hourly earnings per productive worker.
[6] Monthly earnings in manufacturing: regular workers. [7] Wages and salaries per employed person in industry, excluding construction, public gas and electricity undertakings.
[8] Hourly-rates times average daily hours worked. Source: All countries 'OECD Main Economic Indicators', except German Federal Republic ('Monatsberichte der Deutschen Bundesbank', Reihe 4), Italy ('I.L.O. Yearbook' and 'M.E.I.') and United Kingdom ('Department of Employment Gazette').

Action since the 1972 Summit

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Main events since the Summit

At the beginning of 1973, an Environment and Consumer Protection Service reporting directly to Commissioner Scarascia Mugnozza was established. Within this Service, the Consumer Protection Division, headed by Mr. John Braun, was strengthened during 1973.

The Minister for Trade and Consumer Affairs visited Brussels in March and presented to Commissioner Mugnozza the case for a strong consumer voice in Community affairs.

In September, the Commission established a Consumer Consultative Committee, comprising representatives of consumer organisations, trades unions, and co-operative and family organisations, to replace the previous rather inadequate consultative machinery.

In December, a Preliminary Programme for Consumer Information and Protection, prepared after consultation with Government experts from Member States, was presented to the Council. The Programme sets out priorities for action over the next three years in five fields: health and safety; unfair and deceptive commercial practices; complaint, advice and redress; consumer information and education; and consumer representation. The Council agreed to send the Programme to the European Parliament and the Economic and Social Committee for their views, and undertook to take a decision on its adoption by 31 July 1974.

Hence the Programme for action called for by the Summit has been prepared (though not yet adopted) and a good start has been made towards ensuring that the interests of the consumer are taken into account in EEC policies.

Future Community activity

During the first half of the year, the European Parliament and the Economic and Social Committee will be preparing their views on the Preliminary Programme; and subsequently the Programme will be studied in the Council in preparation for its adoption by the July deadline.

In 1974 and beyond the Commission will be making proposals to implement its priorities for action, for presentation to the Council. It may also put forward proposals for action not mentioned in the Preliminary Programme.

The aim will be to ensure that the consumer's voice is heard more clearly in the Community's counsels, and that the consumer's interests (as represented by such organisations as the European Bureau of Consumer Unions) are taken fully into account in the formulation of Community policies.

Simplifying Community trade procedures

The fivefold increase in the value of world exports since 1950 has put a heavy strain on international communications. Improvements in trasnport technology have lifted the threat of trade getting bogged down by actual physical congestion in delivery, but no matching improvements have been made in streamlining the procedures and documents which ensure that the goods cross frontiers and get to their destination with the minimum of delay and trouble. Paper work is a formidable obstacle to efficient exporting.

The UK Government attach great importance to simplifying international trade procedures and documentation, and Britain is putting a good deal of effort into it through the work of the UK Simplification of International Trade Procedures (SITPRO) Board under the chairmanship of Lord Thorneycroft. Real progress depends, however, on reciprocal action by the major trading nations; and worthwhile steps in this direction were taken by Community countries in 1973. Following an initiative from the national trade facilitation organisations of the UK and other Member States, a radical review of Community trade procedures is now in prospect.

Last October a delegation from SITPRO met the responsible EEC Commissioner, Finn-Olav Gundelach, and obtained a clear undertaking that there would be a substantial effort on the part of the Commission to rationalise and simplify trade procedures. In January the impetus was maintained when Lord Thorneycroft led a combined delegation of trade facilitation experts from five Community countries – France, Belgium, Holland, Denmark and the UK (representatives from Germany and Luxembourg attended as observers) – for discussions with Commissioner Gundelach and senior colleagues from the EEC Customs Union Administration. The aim was to examine problems in current EEC documentation and procedures and to arrange for joint consultation and action in order to effect improvements as soon as possible.

Discussion centred on rationalising and simplifying Community requirements relating to movement certificates, the transit regime and imports from third countries. SITPRO will be consulting with a wide range of organisations in the UK to ensure that the UK contribution to this work will be rapid, effective and representative. The Commission is fully behind the drive to update procedures for the movement of goods within, out of and into the Community. It has already proposed that the 19 certificate-of-origin forms now used for trade between the EEC and EFTA should be replaced by just one form.

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